

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5068-01
Bill No.: HB 1375
Subject: Abortion; Department of Health
Type: Original
Date: February 24, 2014

Bill Summary: This proposal requires any organization, institution, or facility which performs abortions to make an annual accounting of all funds received pursuant to Title X of the federal Public Health Service Act.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(\$261,871)	(\$447,377)	(\$95,008)
Total Estimated Net Effect on General Revenue Fund	(\$261,871)	(\$447,377)	(\$95,008)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	1	1	1
Total Estimated Net Effect on FTE	1	1	1

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Health and Senior Services (DHSS)** state section 188.207 of the proposed legislation requires annual accounting information of an organization which performs abortions to be filed with the director of DHSS. The director may provide forms and promulgate rules to implement and enforce the requirements of this section.

DHHS provides that Office of Administration, Information Technology Services Division (OA-ITSD) officials assume that a new data system will need to be designed and developed to assist with the requirements of this legislation. This will be a web-based system for each provider to self-report the items required per the proposal. This system will include a User ID and password for each individual reporting in the system. The application will reside on servers at ITSD. ITSD will need to contract out initial programming development for this system. Ongoing maintenance will be required by ITSD. ITSD staffing and equipment needs include:

One (1) Information Technology Specialist I (\$48,632 annually) to provide business analysis, programming, and support of the application.

One-quarter (1/4) FTE Computer Information Technology Specialist II (0.25 FTE at \$57,164) to provide project management, development support, and administration/maintenance of the application.

One (1) Information Technology Consultant is needed the first year to provide high-level business analysis skills. This analysis will lead to the application design. \$85 per hour X 2,080 hours = \$176,800.

Two Information Technology Consultants are needed for the second year. They will provide high-level database and programming skills to the application. \$85 per hour X 4,160 hours = \$353,600.

Hardware and Software Costs (SDC rates)

½ TB Disk Storage	\$1,829 per year (rounded)
2 Virtual Servers	\$1,370 per year (rounded)
1 Oracle Instance	\$3,867 per year
Backup & Recovery	<u>\$2,345</u> per year
Total per year	\$9,411 (rounded)

The DHSS assumes total costs to the General Revenue (GR) Fund of \$282,646 for FY 15; FY 16 costs of \$472,607; and FY 17 costs of \$120,541.

ASSUMPTION (continued)

Oversight assumes the DHSS/OA-ITSD does not need 1/4 FTE Information Technology Specialist II and can absorb those additional duties with existing resources. In addition, Oversight assumes the DHSS does not need additional rental space for one FTE.

Officials from the **Office of Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes this is a small amount and does not expect that additional funding would be required to meet these costs. However, it is also recognized that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain within its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the **Office of State Courts Administrator** and **Joint Commission on Administrative Rules** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **City of St. Louis** did not respond to **Oversight's** request for a statement of fiscal impact.

Officials from the following **hospitals**: Barton County Memorial Hospital, Bates County Memorial Hospital, Cedar County Memorial Hospital, Cooper County Hospital, Excelsior Springs Medical Center, Putnam County Memorial Hospital, and Washington County Memorial Hospital did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE FUND			
<u>Costs - DHSS (\$188.207)</u>			
Personal service	(\$40,527)	(\$49,118)	(\$49,610)
Fringe benefits	(\$20,671)	(\$25,053)	(\$25,304)
Equipment and expense	(\$23,873)	(\$19,606)	(\$20,094)
IT Consultants	<u>(\$176,800)</u>	<u>(\$353,600)</u>	<u>\$0</u>
Total <u>Costs - DHSS</u>	<u>(\$261,871)</u>	<u>(\$447,377)</u>	<u>(\$95,008)</u>
FTE Change - DHSS	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$261,871)</u>	<u>(\$447,377)</u>	<u>(\$95,008)</u>
Estimated Net FTE Change on the General Revenue Fund	1 FTE	1 FTE	1 FTE
 <u>FISCAL IMPACT - Local Government</u>	 FY 2015 (10 Mo.)	 FY 2016	 FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal would have a negative fiscal and administrative impact on small business abortion providers and those businesses providing encouragement or counseling for abortions.

FISCAL DESCRIPTION

This proposal requires an organization, institution, or facility that performs or assists in performing an abortion that is not necessary to save the life of the mother or that encourages or counsels a woman to have an abortion that is not necessary to save her life, to make an annual accounting of any and all funds received pursuant to Title X of the Public Health Services Act, 42 U.S.C. Section 300. The accounting must identify each grant of funds and must describe in detail the purpose of the grant and the services provided under the grant. The accounting must account for the exact amount of funds received and disbursed pursuant to the grant and must

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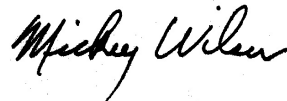
FISCAL DESCRIPTION (continued)

identify the recipients of each disbursement, as well as the purpose of each disbursement. The proposal prohibits the accounting from listing the name of any patient or any part of the social security number of any patient and requires identification of each patient using a unique identification number. The accounting must be filed with the Director of the Department of Health and Senior Services, who must provide forms and promulgate regulations to enforce the provisions of the proposal. The department must retain the accountings for seven years.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of State Courts Administrator
Department of Health and Senior Services
Joint Commission on Administrative Rules
Office of Secretary of State



Mickey Wilson, CPA
Director
February 24, 2014

Ross Strobe
Assistant Director
February 24, 2014